Supplement to

INFORMATION LETTER

NATIONAL CANNERS ASSOCIATION

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PARITY ADJUSTMENT PROVISIONS OF GCPR REVISED

The Office of Price Stabilization on May 28 amended the parity adjustment provisions of the General Ceiling Price Regulation to effect several changes in the manner in which the "pass-through" provisions of the Regulation will be applied. Amendment 13 to GCPR incorporates these changes in a general editorial revision of Section 11 of GCPR. The Amendment became effective on May 28, the date of issuance.

(On May 31, OPS issued Amendment 14 to GCPR which revised some of the provisions of Amendment 13. These provisions primarily concern agricultural products traded on commodity exchanges. Amendment 14, therefore, need not concern canners.)

One of the important features of Amendment 13 is the addition of certain fruits, berries, and vegetables to Section 11 of the GCPR.

Section 11 is the section in which are listed the agricultural commodities for which "parity" is still below legal minimum, and where a "pass-through" of increased cost of raw product is permitted up to the time of announcement by the Secretary of Agriculture that "parity" is above "legal minimum."

The items added are:

FRUITS:
- Blackberries
- Boysenberries
- Figs
  - For fresh consumption
  - For canning
- Grapes
  - Excluding raisins, dried
- Loganberries
- Olives
  - For canning
  - Crushed for oil
- Plums
  - For fresh consumption
  - For canning
- Raspberries, black
- Raspberries, red
- Strawberries for fresh consumption
- Youngberries

VEGETABLES:
- Artichokes
- Asparagus for fresh consumption
- Cucumbers for fresh consumption
- Eggplant
- Peppers, green
- Watermelon
- Potatoes

PRICE ADJUSTMENTS ON INVENTORY STOCK

Another of the changes effected by Amendment 13 will prevent food processors from applying the "pass-through" provisions of Section 11 to obtain higher ceilings on their inventory stock. The GCPR as originally issued permitted a canner to increase his ceiling price for a canned item by the dollars-and-cents difference per unit between the highest price he paid for a customary purchase of the agricultural commodity (or commodity processed therefrom) during the base period (or during the most recent five-week period prior to the base period in which he engaged in customary purchasing operations) and the cost to him of the most recent customary purchase. Once the adjusted price ceiling was determined in this fashion, it could again be adjusted whenever the cost of the raw material again increased. The language employed in according this right was such as to permit food processors to apply the adjusted price ceiling not only to foods processed from agricultural commodities obtained at the higher raw product cost but also to processed foods then on hand and previously packed from agricultural commodities purchased at the lower price.

Amendment 13 amends Section 11 of the GCPR by adding a paragraph which prevents processors from increasing their ceiling prices to reflect increases in the cost of below-parity commodities until such time as they have sold an amount of such product equal to the amount of the finished product previously packed and on hand on the date they would otherwise have been entitled to raise their price. Canners will, therefore, be prevented from applying the "pass-through" provisions of Section 11 to obtain higher ceilings on canned foods other than those processed from agricultural commodities purchased at the higher price.

CEILINGS ON FOODS PROCESSED FROM COMMODITIES REACHING THE LEGAL MINIMUM

Before the issuance of Amendment 13, a canner took as a ceiling price for a finished product processed from an agricultural commodity reaching the legal minimum his ceiling price currently in effect on the date on which the agricultural commodity was deleted from the Section 11(a) list. The Regulation now provides that food processors will use as a "base period" the most recent five-week period ending no later than the date on which the Director of Price Stabilization deletes the agricultural commodity from the Section 11(a) list. This "base period" is to be employed in determining what ceiling price on the processed item shall remain in effect during the period until the raw material is again added to the below-parity list. Section 3 of GCPR is to be applied, when applicable, to this base period for determination of the ceiling. The ceiling price so calculated is to become effective on the date prescribed by the Director of Price Stabilization.

AVAILABILITY OF "PASS-THROUGH" PROVISIONS

A further change effected by Amendment 13 involves the method of giving notice of the fact that the "pass-through" provisions of Section 11 may no longer be availed of to permit price adjustments on particular canned items when the raw product cost increases. Formerly, the Regulation provided that agricultural commodities were to be considered as automatically deleted from the list upon

publication by the Secretary of Agriculture of the fact that the agricultural commodity is no longer selling below the legal minima expressed in the Defense Production Act. The Regulation as amended now provides that action of the Director of Price Stabilization in deleting an agricultural commodity from the below-parity list in Section 11(a) shall be the sole standard for determining whether the "pass-through" provisions are still applicable to products processed from a particular agricultural commodity.

This latter amendment is designed to provide a single method of serving notice of the deletion and to allow the Director to exercise his discretion in determining whether continued "pass-through" privileges shall be permitted.

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OFFICE OF PRICE STABILIZATION

WASHINGTON

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[General Ceiling Price Regulation, Amendment 13]

GENERAL CEILING PRICE REGULATION

MISCELLANEOUS AMENDMENTS

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 13 to the General Ceiling Price Regulation (16 F. R. 808) is hereby issued.

STATEMENT OF CONSIDERATIONS

This Amendment No. 13 to the General Ceiling Price Regulation is issued primarily to revise and to collate the provisions of section 11 of that regulation. Some of the changes involve mere clarification in the language, whereas others were found to be necessary to correct inequities and to conform section 11 to the provisions of the Manufacturers' General Ceiling Price Regulation (CPR 22). This amendment also alters two paragraphs of section 14 of the General Ceiling Price Regulation and, finally, revises section 1 to conform to the sections amended herein.

All of what was section 11 (a), exclusive of the list of agricultural commodities to which the provisions of section 11 are applicable, is now embodied in a new section 11 (h). The language of section 11 (h) which relates to the effect of the removal of any commodity from the section 11 (a) list, has been simplified and made consistent with the other subsections as now amended.

Finally, section 11 (h), along with section 1, has been altered to clarify the method by which manufacturers and distributors are to calculate their ceiling prices for products processed from listed agricultural commodities after the prices of these commodities have reached the legal minimum as defined in section 402 (d) (3) of the Defense Production Act of 1950. It is provided, as before, that those sellers, who determine their ceilings under section 3, are to apply that section in figuring these ceilings. However, they are to use as a "base period" under that section the most recent five-week period ending no later than the date on which the Director of Price Stabilization deletes the agricultural commodity from the section 11 (a) list. The ceiling price so calculated is to become effective on the date prescribed by the Director of Price Stabilization. It has been found to be unnecessary to provide for automatic deletion of a commodity from the section 11 (a) list upon publication in "Agricultural Prices" of a price for it which satisfies the legal minimum. When such a price is attained the Director is able to promptly take any action he finds to be desirable by amendment of the list. Such an amendment has the advantage of avoiding confusion by serving clear notice as to the state of each individual commodity. Even more important, the Director now has the control necessary to maintain a balanced price structure; whereas the former clause, which permitted unconsidered automatic deletion, might have resulted in distorted relationships between the prices of individual commodities.

The list of agricultural commodities in section 11 (a) has also been altered to include those commodities which were reported, in the publication "Agricultural Prices," to be selling at below parity prices as of April 15, 1951. The list is also revised to delete those commodities which, subsequent to the issuance of the General Ceiling Price Regulation, as previously amended, attained prices equaling or exceeding the minimum requirements of the Defense Production Act of 1950.

Section 11 (b) has been amended by the addition of a paragraph which prevents manufacturers and processors from increasing their ceiling prices to reflect increases in the cost of below-parity commodities (or products processed therefrom) until such time as they have sold an amount of their product equal to the amount of finished product on hand at the date they would otherwise be entitled to raise their price. This provision prevents inventory windfalls which, previous to this, have resulted from applying the "pass-through" price increase to those units of product processed from supplies of the listed commodities (or their products) previously purchased at the lower price, as well as to units of product processed from supplies currently purchased at the increased price. A similar provision is contained in the Manufacturers' General Ceiling Price Regulation. Thus, equality of treatment is assured all manufacturers, and in respect to all products processed from the listed commodities (or their products).

Next, the language of section 11 (c) has been changed to allow distributors of products processed from listed agricultural commodities to pass through increases in the price to them of such products, even though that price increase was not effected by the manufacturer pursuant to section 11 (b). This change was necessary in order to include within the scope of the permitted "pass-through" to distributors, increases in the cost of processed commodities taken by manufacturers under the parity adjustment provisions of CPR 22.

As originally issued, section 14 (a) (1) of the General Ceiling Price Regulation exempted from control all sales of raw and unprocessed agricultural commodities by the producers of these commodities. By a subsequent amendment this exemption was limited to sales by producers only of those commodities on the section 11 (a) list, and was to be effective only so long as those commodities were on that list. It was further provided that sales by any seller of a listed raw and unprocessed agricultural commodity were to be exempt.

The present amendment reverts to the technique of section 14 (a) (1) as first written. Sales by producers of all raw and unprocessed agricultural commodities are thus excluded from control by the General Ceiling Price Regulation. Sales by subsequent distributors, however, are controlled by the General Ceiling Price Regulation except to the extent that other provisions of that regulation may exempt them. The Director has found this to be the best method of control of such commodities. Any attempt to apply the freeze technique to sales by individual farmers is administratively impracticable but, by regulating the prices of subsequent sellers (as is done here) a generally effective method of ultimate control is provided. Such subsequent sellers are, of course, still entitled to their historical margins under the provisions of section 11.

Since all sellers, subsequent to the producer, of unprocessed agricultural commodities are now controlled it is no longer necessary to make special provision for eggs, dry edible beans and peas, and popcorn. It was formerly specifically provided that sales of such products were uncontrolled only when sold by producers. This was done because it was customary for first handlers to perform processing operations on them which took them out of the class of unprocessed commodities to which the exemption of sales by subsequent sellers applied. However, as said above, the present amendment clearly extends control to such sales by subsequent sellers and thereby eliminates the need for special language with respect to those commodities.

Finally, the language of the exemption of fresh fruits and vegetables from control has been slightly changed and mohair, when sold by the producer, has been exempted by amendments to section 14 (a) (7) and (3), respectively. Section 14 (a) (3) previously contained an exemption only for the producer of raw wool. The Director of Price Stabilization has, however, been advised that similar treatment should be afforded mohair producers, whose prob-

lems are substantially similar to those of producers of raw wool.

In the judgment of the Director of Price Stabilization this amendment is generally fair and equitable and is necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950.

AMENDATORY PROVISIONS

The General Ceiling Price Regulation is amended in the following respects:

1. The last sentence of section 1 is changed, after the word "date", to read: "the Director of Price Stabilization deletes the commodity from the list of agricultural commodities in section 11 (a)."

2. Section 11 is amended to read as follows:

SEC. 11. *"Parity" adjustments in ceiling prices*—(a) *Commodities covered by this section.* This section applies to the following listed agricultural commodities and to products processed from any one or more of them.

LISTED AGRICULTURAL COMMODITIES

Field crops:
- Barley.
- Beans, dry edible.
- Buckwheat.
- Corn.
- Flaxseed.
- Hay.
- Oats.
- Peanuts.
- Peas, dry field.
- Rye.
- Sorghums for grain.
- Wheat.

Livestock and Livestock products:
- Butterfat.
- Chickens.
- Eggs.
- Milk, wholesale.
- Turkeys.
- Beeswax.

Sugar crops:
- Maple sirup.
- Maple sugar.
- Sorghum sirup.
- Sugar beets.
- Sugarcane sirup.

Fruits:
- Apples:
  - For fresh consumption.
  - For canning.
  - For drying.
- Apricots:
  - For fresh consumption.
  - For canning.
  - Dried.
- Avocados.
- Blackberries.
- Boysenberries.
- Cherries:
  - Sweet.
  - Sour.
- Cranberries.
- Dates.
- Figs:
  - For fresh consumption.
  - For canning.
- Grapefruit.
- Grapes, excluding raisins, dried.
- Lemons.
- Limes.
- Loganberries.
- Olives:
  - For canning.
  - Crushed for oil.
- Oranges and tangerines.

Fruits—Continued.
- Peaches:
  - For fresh consumption.
  - For canning.
    - Clingstone.
    - Freestone.
  - Dried.
- Pears:
  - For fresh consumption.
  - For canning.
  - Dried.
- Pineapples, Florida.
- Plums:
  - For fresh consumption.
  - For canning.
- Raspberries, black.
- Raspberries, red.
- Strawberries for fresh consumption.
- Youngberries.

Tree-nuts:
- Almonds.
- Filberts.
- Pecans.
- Walnuts.

Tobacco:
- Flue-cured: types 11, 14.
- Burley-type 31.
- Cigar filler and binder types 42–44, 46, 51–55.
- Cigar wrapper, type 61.
- Cigar wrapper, type 62.
- Dark air-cured, types 35–36.
- Fire cured, types 21–24.
- Maryland type, 32.
- Pa. seedleaf type 41.
- Sun cured, type 37.

Vegetables:
- Artichokes.
- Asparagus for fresh consumption.
- Beans, Lima.
- Beans, Snap.
- Beets.
- Cabbage.
- Cantaloupe.
- Carrots.
- Cauliflower.
- Celery.

Vegetables—Con.
- Corn, sweet.
- Cucumbers for fresh consumption.
- Eggplant.
- Garlic.
- Kale.
- Lettuce.
- Onions.
- Peas, green.
- Peppers, green.
- Pimientos.
- Shallots.
- Spinach.
- Tomatoes.
- Watermelon.
- Potatoes.
- Sweet Potatoes.

Miscellaneous:
- Popcorn.
- Honey.
- Hops.
- Peppermint oil.
- Spearmint oil.
- Tung nuts.

(b) *Processors and manufacturers.* This section applies to you only if:

(1) You sell a product which you process from one or more of the listed agricultural commodities (or from a product processed from them), the prices of which are below the legal minimum, and you are not, as to that processing operation, a manufacturer covered by the Manufacturers' General Ceiling Price Regulation (CPR 22), and

(2) The cost to you of a current customary purchase of the listed agricultural commodity (or the product processed therefrom) exceeds the highest price you incurred or paid during the base period. In such case you may increase the ceiling price (as otherwise determined in this regulation) for your product by the dollar-and-cent difference per unit between the highest price incurred or paid by you for a customary purchase during the base period and the cost to you of the most recent customary purchase.

If you have previously increased the ceiling price for your product you may increase your present ceiling price for the product by the dollar-and-cent difference per unit between the price upon which your last previous increase was based and the cost to you of the most recent customary purchase.

You may not, however, after May 30, 1951, put the ceiling price increase into effect unless and until you have first sold an amount of your product at least equal to the quantity of finished product owned by you at the close of business on the day you otherwise would have been entitled to put that ceiling price increase into effect under this section.

Example: You are a processor of evaporated milk, a product processed from a listed agricultural commodity.

The highest price paid by you for a customary purchase of manufacturing milk in the base period was $3.80 per cwt. The cost to you of the most recent purchase is $4.00 per cwt.—a difference of 20 cents or 2/10 cent per lb. At the time you made the $4.00 purchase you have an inventory of 100 cases of evaporated milk.

If you use 94 lbs. of milk to produce a case of evaporated milk, you are entitled to increase your maximum price per case by 18.8 cents per case (94×2/10 cent). But you may not put that increase into effect until after you have first sold 100 cases.

If, subsequent to this adjustment, the price you pay for a customary purchase of manufacturing milk should increase to $4.10—a further increase of $0.10 per cwt. or 1/10 cent per lb.—you may, after first selling the number of cases equal to your inventory on the date you made the $4.10 purchase, add an additional 9.4¢ to your maximum price per case (94×1/10 cent).

(3) (i) If (a) you are a producer-processor, and (b) you cannot otherwise determine your ceiling price under subparagraph (2) of this paragraph because you do not customarily purchase any amount of a listed agricultural commodity from independent producers wholly unaffiliated with you, you shall, for purposes of subparagraph (2), use as your costs the prices (with adjustment for difference in delivery costs) paid for a customary purchase by your nearest competitor. Such competitor must be one who buys the same quality of the commodity as do you, buys it in quantities comparable to the quantities in which you buy, and buys it at firm prices for processing.

(ii) If (a) you are a processor who purchases the listed agricultural commodity under "open" price or deferred payment contracts, which relate the price you pay the producer to facts unknown both at the time the raw agricultural commodity is delivered to you, and at the time of sale of the processed product, and (b) you cannot otherwise determine your ceiling price under subparagraph (2) of this paragraph because you do not customarily purchase any amount of a listed agricultural commodity at prices finally determined at the time of sale, you shall, for purposes of subparagraph (2), use as your costs the prices (with adjustment for differences in delivery costs) paid for a customary purchase by your nearest competitor. Such competitor must be one who buys the same quality of the commodity as do you, buys it in quantities comparable to the quantities in which you buy, and buys it at firm prices for processing.

(iii) If (a) you are a producer-owned cooperative processor, and (b) you cannot otherwise determine your ceiling price under subparagraph (2) of this paragraph because you do not customarily purchase any amount of a listed agricultural commodity from independent producers wholly unaffiliated with you, you may increase your ceiling price (as determined under the other sections of this regulation) for products processed from such commodities if the entire dollar-and-cent increase in total gross sales revenue derived from that increase in your ceiling price is passed back to producers within 30 days after the end of each normal accounting period. The amount so passed back must be in addition to the full amount you would normally have passed back to producers had you sold the processed product at the ceiling price determined under the other sections of this regulation.

(c) *Distributors.* This section applies to you only if:

(1) You buy and resell in substantially the same form one or more of the listed agricultural commodities or a product processed from them and

(2) The cost to you of a current customary purchase of that commodity or product exceeds the highest price you incurred or paid for it during the base period.

In such case you may increase your ceiling price (as otherwise determined in this regulation) for the commodity or product by the dollar-and-cent difference per unit between the highest price incurred or paid by you for a customary

purchase during the base period and the cost to you of the most recent customary purchase.

If you have previously increased your ceiling price for the commodity or product, you may increase your present ceiling price for that commodity or product by the dollar-and-cent difference per unit between the price upon which your last previous increase was based and the cost to you of the most recent customary purchase.

(d) *Method for computing "parity" adjustments where no customary purchase was made during the base period.* If you cannot figure your increase under paragraphs (b) and (c) of this section because you made no customary purchase during the base period, then the highest price you paid during the most recent five-week period prior to the base period in which you made a customary purchase shall be your highest price within the meaning of paragraphs (b) (2) and (c) (2) of this section.

(e) *Method for computing "parity" adjustments where prices have been based customarily on commodity exchange quotations.* In case any of the above listed commodities or products processed from them are traded regularly upon a recognized commodity exchange that maintains daily records of transactions or quotations, and if it has been both your own practice and the general practice of your industry to figure selling prices on the basis of commodity exchange quotations, the increase per unit you are entitled to add under paragraphs (b) and (c) of this section shall be the difference in dollars and cents between (1) the quotation upon which your ceiling price under this regulation was based, and (2) the comparable current quotation.

(f) *Notice of "parity" adjustment increases.* (1) If you are a processor or a manufacturer to whom the provisions of paragraph (b) (2) of this section are applicable, you may not increase your ceiling price for such commodity until you first notify the Director of Price Stabilization, Washington 25, D. C., by registered mail giving the following information:

(i) Your existing ceiling price and the description of the commodity;

(ii) The highest price you paid for a customary purchase (or, if applicable, the commodity exchange quotation) of the commodity during the base period, or, if you have previously increased your price, then the price upon which you based your existing ceiling price;

(iii) The new cost or new commodity exchange quotation, whichever is applicable;

(iv) The increased ceiling price.

In the case of increased cost of ingredients, furnish the figures substantiating the conversion of your increase in cost to the increase in the ceiling price of the commodity.

(2) If you are either a producer-processor pricing under paragraph (b) (3) (i) of this section, or a processor operating under "open" price or deferred payment contracts and pricing under paragraph (b) (3) (ii) of this section, you may not increase your ceiling price for such commodity until you first notify the Director of Price Stabilization, Washington 25, D. C., by registered mail giving the following information:

(i) The name and address of your nearest competitor selected pursuant to paragraph (b) (3) (i) or (ii) of this section;

(ii) The highest price paid for the listed agricultural commodity in the base period by your nearest competitor, or his ceiling price (determined before application of this section), or your dollar-and-cent per unit margin in the base period (determined by taking your ceiling price, as determined under this regulation before application of this section, and subtracting from it the highest per unit price paid by your nearest competitor for a customary purchase in the base period).

(iii) The current price paid for a customary purchase of the listed agricultural commodity by your nearest competitor.

(iv) Your ceiling price, as determined under this regulation, before application of this section.

(v) The increased ceiling price. In the case of increased cost of ingredients, furnish the figure substantiating the conversion of your increase in cost to the increase in the ceiling price.

(3) If you are a cooperative-processor pricing under paragraph (b) (3) (iii) of this section, you may increase your ceiling price without first giving any notice but must, within 30 days after the end of each normal accounting period during which you increased your ceiling price, notify the Director of Price Stabilization, Washington 25, D. C., by registered mail giving the following information:

(i) The amount retained by you per unit of the processed commodity sold in the last normal accounting period before February 1, 1951.

(ii) The amount passed back to producers per unit of the processed commodity sold in the last normal accounting period before February 1, 1951.

(iii) The amount retained by you per unit of the processed commodity sold in the most recent normal accounting period.

(iv) The amount passed back to producers per unit of the processed commodity sold in the most recent normal accounting period.

(g) *Effect of notification of "parity" adjustment.* Upon mailing the notification required in paragraph (f) of this section, you may charge the new ceiling price. If, in the judgment of the Director of Price Stabilization, the increase is deemed unreasonable, excessive or otherwise improper, he may disapprove the price and restore the old ceiling price or establish a new ceiling price and may apply it retroactively.

(h) *Effect of removal from list of agricultural commodities.* This section shall cease to apply to a commodity if, after consultation with the Secretary of Agriculture, the Director of Price Stabilization determines that the requirements of the Defense Production Act of 1950 are satisfied as to such commodity. The ceiling price for the seller of any product processed from any such commodity shall thereafter be determined under the provisions of this regulation, except that, if such ceiling price is determined under section 3, the "base period" shall be the most recent five-week period preceding the date the Director of Price Stabilization deletes the commodity from the list. Such ceiling prices shall become effective on the date determined by the Director.

Notwithstanding anything contained in this paragraph to the contrary, the ceiling price for fluid milk, which is sold and bought pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or any marketing agreement, license or order, or provision thereof or amendment thereto, shall be no less than the price determined pursuant to that act, and, for purposes of such sales and purchases only, fluid milk shall be deemed to remain on the list of agricultural commodities.

3. Section 14 (a) (1) is amended to read as follows:

(1) Sales by producers of any agricultural commodity in its raw or natural state, or if the commodity is not customarily sold by producers generally in its raw or natural state, in the first form or state in which it is customarily sold by producers generally.

4. Subparagraphs (3) and (7) of section 14 (a) are amended to read as follows:

(3) Raw wool when sold by the producer and mohair when sold by the producer. • • •

(7) All fresh fruits, including berries and tree nuts, and all fresh vegetables.

Effective date. This amendment shall become effective May 28, 1951.

EDWARD F. PHELPS, Jr.,
Acting Director of Price Stabilization.

MAY 28, 1951.

OFFICE OF PRICE STABILIZATION
Washington

EXEMPTION OF AGRICULTURAL COMMODITIES SELLING
AT PRICES BELOW LEGAL MINIMA

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F.R. 6105), and Economic Stabilization Agency General order No. 2 (16 F.R. 738) this Amendment 14 to General Ceiling Price Regulation (16 F.R. 808) is hereby issued.

STATEMENT OF CONSIDERATIONS

Amendment 13 to the General Ceiling Price Regulation (GCPR) inadvertently revised the provisions of section 14(s)(1) to exempt raw agricultural commodities only when sold by the producers thereof. In the case of agricultural commodities which are selling at prices below the legal minima prescribed by the Defense Production Act and are regularly traded on commodity exchanges such a provision is undesirable. Although a pass-through is permitted on such commodities by section 11, it is impractical and unworkable for those who are constantly buying and selling at fluctuating prices without chance to stop, after each transaction, and calculate the amount of the pass-through to which they are entitled. Therefore, the Director of Price Stabilization has found that it is generally fair and equitable, and is necessary to effectuate the purposes of title IV of the Defense Production Act of 1950, to amend section 14(s)(1) so that sales on commodities exchanges of raw agricultural commodities selling below the legal minima are not controlled. And, along with that, section 11(b) has been amended to exempt sales on commodity exchanges from the requirement that an amount of the product a seller has on hand as of the date he makes a higher priced purchase of a listed agricultural commodity (or product processed therefrom) must first be sold before he can increase his ceiling price to reflect the increased cost of that last purchase.

AMENDATORY PROVISIONS

1. Section 14(s)(1) of the General Ceiling Price Regulation is amended to read as follows:

(1) (i) The following commodities only when sold by the producers thereof: Eggs, dry edible beans and peas, and popcorn. In addition, any other agricultural commodity in its raw or natural state, or if the commodity is not customarily sold by producers generally in its raw or natural state, in the first form or state beyond the raw or natural state in which it is customarily sold by producers generally.

(ii) The exemption established by this subparagraph (1) shall not apply to sales, other than by producers, of any agricultural commodity not now listed in Section 11(a) or hereafter deleted by the Director of Price Stabilization from the

section 11(a) list. The ceiling price for sales, other than by producers, of any commodity hereafter deleted from the section 11(a) list shall, after such deletion, be determined under the provisions of this regulation, except that, if such ceiling price is determined under section 3, the "base period" shall be the most recent five-week period preceding the date the Director of Price Stabilization deletes the commodity from the list. Such ceiling prices shall become effective on the date determined by the Director.

2. The paragraph of section 11(b) of the General Ceiling Price Regulation which immediately precedes the Example is amended to read as follows:

You may not, however, after May 30, 1951, put the ceiling price increase into effect unless and until you have first sold an amount of your product at least equal to the quantity of finished product owned by you at the close of business on the day you otherwise would have been entitled to put that ceiling price increase into effect under this section, except that this sentence shall not apply to sales on commodity exchanges (as defined in paragraph (e) of this section).

Effective date. This amendment shall become effective May 31, 1951.

Edward F. Phelps, Jr.,
Acting Director of Price Stabilization

May 31, 1951.

[F.R. Doc. 51-6452; Filed, May 31, 1951; 12:04 p.m.]